

EXHIBIT 14

CONFIDENTIAL

PTQ6805

PAGE 01 SARAJE 01517 01 OF 02 171308Z
ACTION EUR-00

INFO	LOG-00	NP-00	AF-00	AID-00	AMAD-00	ACQ-00	CIAE-00
	COME-00	INL-00	DODE-00	WHA-00	PERC-00	SRPP-00	DS-00
	EAP-00	EB-00	FBIE-00	VC-00	TEDE-00	INR-00	IO-00
	LAB-01	VCE-00	NEA-00	DCP-01	NSAE-00	NSCE-00	P-00
	SCT-00	SS-00	USIE-00	ASDS-01	ECA-00	IIP-00	DSCC-00
	DRL-02	NFAT-00	SAS-00	/005W			

-----AFF938 171309Z /38

O 171316Z MAY 02
FM AMEMBASSY SARAJEVO
TO SECSTATE WASHDC IMMEDIATE 0370
INFO IFOR COLLECTIVE PRIORITY
DEPT OF TREASURY WASHDC PRIORITY
ISLAMIC CONFERENCE COLLECTIVE
AMEMBASSY NAIROBI
AMEMBASSY ADDIS ABABA
AMEMBASSY TOKYO
AMEMBASSY OTTAWA
AMEMBASSY WELLINGTON
AMEMBASSY CANBERRA
AMEMBASSY SINGAPORE

RELEASED IN FULL

REVIEW AUTHORITY: Archie Bolster, Senior
Reviewer

C O N F I D E N T I A L SECTION 01 OF 02 SARAJEVO 001517

STATE FOR EUR (BOGUE), D (KAIDANOW), P (CURREN),
EUR/SCE (GREGORIAN), EB/ESC/ESP, S/CT

TREASURY FOR TERRORISM TASK FORCE AND OFAC
CONFIDENTIAL

PAGE 02 SARAJE 01517 01 OF 02 171308Z

NSC FOR PITTMAN/SCHULTE

STATE ALSO PASS USAID
AID FOR AA/EE AND EE/ECA

E.O. 12958: DECL: 05/17/2012
TAGS: EFIN, ETTC, PTER, PREL, BK
SUBJECT: TERRORISM FINANCE: REGULATION OF CHARITIES

REF: A) SECSTATE 90100, B) SARAJEVO 1249 AND PREVIOUS

CLASSIFIED BY AMBASSADOR CLIFFORD G. BOND FOR REASONS
1.5 (B) AND (D).

SUMMARY

1. GOVERNMENT AUTHORITIES CURRENTLY LACK THE INTELLIGENCE, FINANCIAL, AND HUMAN RESOURCES TO BE ABLE TO MONITOR AND EFFECTIVELY REGULATE THE HUNDREDS OF NGOS THAT ARE CURRENTLY ACTIVE IN BOSNIA AND HERZEGOVINA (BIH). THE GOVERNMENT EVEN LACKS ACCURATE DATA TO SAY WITH SPECIFICITY WHO THESE CHARITIES ARE, WHAT THEY ARE DOING, OR WHERE THEY ARE OPERATING. A NEW LAW MAY EVENTUALLY ALLOW FOR CLOSER REGULATION OF NGOS, BUT IMPLEMENTING REGULATIONS HAVE NOT YET BEEN FINISHED SINCE THE LAW WAS PASSED LAST DECEMBER. THE AREA WHERE AUTHORITIES HAVE BEEN MOST PRO-ACTIVE IS IN ASSISTING THE EMBASSY TO TRACK THE FINANCIAL TRANSACTIONS OF INDIVIDUALS AND ORGANIZATIONS WATCH-
CONFIDENTIAL

PAGE 03 SARAJE 01517 01 OF 02 171308Z
LISTED BY OFAC. UNLESS AND UNTIL LOCAL LAW ENFORCEMENT AUTHORITIES GET THE RESOURCES NECESSARY, IT IS UNREALISTIC TO EXPECT THEM TO DO MORE TO REGULATE CHARITABLE ORGANIZATIONS. END SUMMARY.

CHARITIES RETAIN POSITIVE IMAGE

2. (C) POST WELCOMES THE OPPORTUNITY TO COMMENT ON THE QUESTION OF REGULATING DOMESTIC CHARITIES, PARTICULARLY SINCE BIH IS A COUNTRY OF CONCERN IN U.S. EFFORTS TO STEM TERRORIST FINANCING. BEFORE SEPTEMBER 11, THE QUESTION OF CHARITIES BEING INVOLVED IN POTENTIAL FINANCING OF TERRORIST ACTIVITIES WAS OFF THE GOVERNMENT'S COLLECTIVE RADARSCOPE. INDEED, EVEN AFTER THE EVENTS OF SEPTEMBER 11, AND SUBSEQUENT HIGHLY PUBLICIZED RAIDS OF SEVERAL NGOS WITH SUSPECTED TERRORIST LINKS, THE GENERAL PUBLIC HAS MAINTAINED A STRONGLY POSITIVE VIEW OF CHARITABLE ORGANIZATIONS HERE. THIS IS IN PART AN ACKNOWLEDGMENT OF THE CRUCIAL ROLE THESE ORGANIZATIONS PLAYED BOTH DURING AND IMMEDIATELY AFTER THE BOSNIAN WAR ENDED IN 1995.

HANDS-OFF ATTITUDE

3. (C) THE FAVORABLE IMAGE OF CHARITIES ALSO REFLECTS RECOGNITION OF THE CONTINUING ROLE CHARITIES PLAY TODAY AS BIH STRIVES TO MAKE THE DIFFICULT TRANSITION TO A MARKET ECONOMY. OFFICIAL UNEMPLOYMENT IN THE

PAGE 04 SARAJE 01517 01 OF 02 171308Z
THAT FIGURE IF THE GRAY ECONOMY IS FACTORED IN). AT
THE SAME TIME INTERNATIONAL AID LEVELS ARE ON A STEADY
DECLINE. BOTH THE GOVERNMENT AND THE PUBLIC CLEARLY
PERCEIVE THAT CHARITABLE ORGANIZATIONS ARE NECESSARY
TO HELP BRIDGE THE ECONOMIC GAP AS BIH MOVES TOWARD A
SELF-SUSTAINING ECONOMY. THE POSITIVE PUBLIC
PERCEPTION MAY EXPLAIN IN PART WHY THE GOVERNMENT HAS
TRADITIONALLY TAKEN A "HANDS-OFF" APPROACH TO THE
CHARITIES.

LEGAL BASIS FOR REGULATING CHARITIES

4. (U) GOVERNMENT AUTHORITIES HAVE NO CLEAR IDEA OF
HOW MANY CHARITIES ARE CURRENTLY ACTIVE IN THE
COUNTRY. AN UNOFFICIAL DIRECTORY OF NGOS LISTS
HUNDREDS OF ORGANIZATIONS. HOWEVER, IN RECENT CHECKS
TO FOLLOW UP ON SEVERAL PROSCRIBED ISLAMIC CHARITIES,
WE FOUND MULTIPLE ORGANIZATIONS LOCATED AT THE SAME
ADDRESS. THE STATE HAS ATTEMPTED TO CORRECT THE
SITUATION BY PASSING A LAW ON ASSOCIATIONS AND
FOUNDATIONS IN DECEMBER, 2001 AIMED AT MORE CLOSELY
REGULATING NGOS. THE LAW SPECIFIES REGISTRATION

CONFIDENTIAL

CONFIDENTIAL PTQ6807

PAGE 01 SARAJE 01517 02 OF 02 171309Z
ACTION EUR-00

INFO	LOG-00	NP-00	AF-00	AID-00	AMAD-00	ACQ-00	CIAE-00
	COME-00	INL-00	DODE-00	WHA-00	SRPP-00	DS-00	EAP-00
	EB-00	FBIE-00	VC-00	TEDE-00	INR-00	IO-00	LAB-01
	VCE-00	NEA-00	DCP-01	NSAE-00	NSCE-00	P-00	SCT-00
	SS-00	USIE-00	ASDS-01	ECA-00	IIP-00	DSCC-00	DRL-02
	NFAT-00	SAS-00	/005W				

-----AFF947 171309Z /38

O 171316Z MAY 02
FM AMEMBASSY SARAJEVO
TO SECSTATE WASHDC IMMEDIATE 0371
INFO IFOR COLLECTIVE PRIORITY
DEPT OF TREASURY WASHDC PRIORITY
ISLAMIC CONFERENCE COLLECTIVE
AMEMBASSY NAIROBI
AMEMBASSY ADDIS ABABA

AMEMBASSY TOKYO
AMEMBASSY OTTAWA
AMEMBASSY WELLINGTON
AMEMBASSY CANBERRA
AMEMBASSY SINGAPORE

C O N F I D E N T I A L SECTION 02 OF 02 SARAJEVO 001517

STATE FOR EUR (BOGUE), D (KAIDANOW), P (CURREN),
EUR/SCE (GREGORIAN), EB/ESC/ESP, S/CT

TREASURY FOR TERRORISM TASK FORCE AND OFAC
CONFIDENTIAL

PAGE 02 SARAJE 01517 02 OF 02 171309Z

NSC FOR PITTMAN/SCHULTE

STATE ALSO PASS USAID
AID FOR AA/EE AND EE/ECA

E.O. 12958: DECL: 05/17/2012
TAGS: EFIN, ETTC, PTER, PREL, BK
SUBJECT: TERRORISM FINANCE: REGULATION OF CHARITIES

PROCEDURES FOR NGOS, INCLUDING GROUNDS FOR INVOLUNTARY
TERMINATION FOR "IRREGULARITIES IN OPERATION" OR FOR
ACTIVITIES DEEMED INCONSISTENT WITH THE "PUBLIC
BENEFIT." THE LATTER IS DEFINED IN TERMS OF A WIDE
RANGE OF CIVIC "GOODS" INCLUDING SUCH ITEMS AS
EDUCATION, SCIENCE, SOCIAL CARE, CIVIL SOCIETY, HUMAN
AND MINORITY RIGHTS, ASSISTANCE TO CHILDREN, THE
ELDERLY, THE POOR, ETC. THE LAW, HOWEVER, HAS NOT YET
BEEN IMPLEMENTED PENDING PREPARATION OF MINISTERIAL
REGULATIONS.

CHARITIES LINKED TO TERRORISTS

5. (C) ON THE POSITIVE SIDE, LOCAL LAW ENFORCEMENT
AUTHORITIES HAVE COOPERATED WITH INTERNATIONAL
COUNTERPARTS IN MOUNTING SUCCESSFUL RAIDS (REPORTED
SEPTELS) ON SEVERAL LOCAL CHARITIES SUSPECTED OF
HAVING FINANCIAL AND OTHER LINKS TO TERRORIST
ORGANIZATIONS. THE BOSNIAN-BASED CHARITIES, INCLUDING
THE GLOBAL RELIEF FOUNDATION, TAI BAH INTERNATIONAL,

CONFIDENTIAL

PAGE 03 SARAJE 01517 02 OF 02 171309Z
BENEVOLENCE INTERNATIONAL FOUNDATION AND THE AL

UNCLASSIFIED U.S. Department of State Case No. F-2009-08426 Doc No. C17589714 Date: 10/11/2012
HARAMAIN ISLAMIC FOUNDATION, HAVE YIELDED VALUABLE
EVIDENCE DIRECTLY LINKING THESE ORGANIZATIONS TO THE
AL QAEDA TERRORIST NETWORK. ON-GOING INVESTIGATIONS
BY INTERNATIONAL LAW ENFORCEMENT AUTHORITIES HAVE
RESULTED IN THE IDENTIFICATION OF SEVERAL ADDITIONAL
CHARITIES -- SAUDI HIGH COMMISSION FOR RELIEF (SHCR),
ACTIVE ISLAMIC YOUTH (AIO), IRKA (ARABIC FOR "TO
READ") AND THE INTERNATIONAL ISLAMIC RELIEF
ORGANIZATION (IIRO) -- BELIEVED ALSO TO HAVE SIMILAR
TERRORIST LINKS.

BANKING REGULATORY AGENCY PRO-ACTIVE

6. (C) WHILE LOCAL AUTHORITIES HAVE COOPERATED SO FAR
IN STAGING RAIDS AGAINST SUCH SUSPECTED TERRORIST
TARGETS, THESE AUTHORITIES ARE SOLELY DEPENDENT ON
INFORMATION PROVIDED BY INTERNATIONAL SOURCES. GIVEN
THE LACK OF LOCAL INTELLIGENCE RESOURCES, THAT
SITUATION IS LIKELY TO CONTINUE INTO THE FORESEEABLE
FUTURE. THE ONE AREA WHERE LOCAL AUTHORITIES HAVE
BEEN ABLE TO CONTRIBUTE ACTIVELY TO THE FIGHT AGAINST
TERRORISM FINANCING IS IN MONITORING THE FINANCIAL
TRANSACTIONS OF INDIVIDUALS AND ORGANIZATIONS ON THE
OFAC WATCH LISTS (REF B). THE BANKING REGULATORY
AGENCY IN THE FEDERATION IN PARTICULAR HAS TAKEN THE
INITIATIVE TO ASSIST THE EMBASSY IN THIS EFFORT.

COMMENT

CONFIDENTIAL

PAGE 04 SARAJE 01517 02 OF 02 171309Z

7. (C) WHILE WE BELIEVE GOVERNMENT AUTHORITIES
RECOGNIZE THE BENEFITS OF CUTTING OFF TERRORIST
FINANCING, WE DO NOT SEE THOSE AUTHORITIES TAKING ON
SIGNIFICANT NEW RESPONSIBILITIES SOON TO MAKE THIS
HAPPEN. MONITORING AND REGULATING THE HUNDREDS OF
CHARITIES OPERATING WITHIN THE COUNTRY TODAY WOULD
REQUIRE RESOURCES (INTELLIGENCE, FINANCIAL, HUMAN)
THAT THE COUNTRY DOES NOT HAVE AT THIS TIME. IN THE
INTERIM, HOWEVER, BIH, WITH ITS LAW ON ASSOCIATIONS
AND FOUNDATIONS, IS AT LEAST MOVING (ALBEIT SLOWLY) TO
PUT INTO PLACE A LEGAL STRUCTURE THAT WILL ALLOW THE
STATE, IF AND WHEN RESOURCES BECOME AVAILABLE, TO TAKE
ACTION AGAINST NGOS THAT VIOLATE THE "PUBLIC BENEFIT."

BOND

<< END OF DOCUMENT >>
